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Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Verizon New Jersey Inc.	)	CC Docket No. 96-159
Request for Limited Modification of	)	
LATA Boundary in New Jersey	)	

MEMORANDUM OPINION AND ORDER

Adopted: March 29, 2004 **Released: March 29, 2004**

By the Chief, Competition Policy Division:

I. INTRODUCTION

1. On March 6, 2003, Verizon New Jersey Inc. (Verizon NJ) filed a petition pursuant to section 3(25) of the Communications Act of 1934, as amended (Act),[1] seeking modification of the local access and transport area (LATA)[2] boundary between the North Jersey and Delaware Valley LATAs in New Jersey.[3] Verizon NJ seeks this LATA boundary modification to permit provision of local exchange service through a single exchange, the Monmouth Junction exchange, to a new residential housing development that would otherwise be served by two exchanges in different LATAs.[4] For the reasons stated below, we grant Verizon NJ's petition.

II. BACKGROUND

2. Under section 3(25)(B) of the Act,[5] requests for LATA boundary modifications fall within the Federal Communications Commission's (Commission's) exclusive jurisdiction.[6]

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[1] We refer to the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (1996 Act), as the Communications Act or the Act. 47 U.S.C. § 151 *et seq*

[2] Section 3(25) of the Act defines a LATA as a contiguous geographic area (1) established prior to enactment of the 1996 Act by a Bell Operating Company (BOC) such that no exchange area includes points within more than one metropolitan statistical area, consolidated metropolitan statistical area, or state, except as expressly permitted under the AT&T Consent Decree; or (2) established or modified by a BOC after such date of enactment and approved by the Commission. 47 U.S.C. § 153(25).

[3] *See* Verizon New Jersey Inc., Request for Limited Modification of LATA Boundaries in New Jersey, CC Docket No. 96-159 (filed Mar. 6, 2003) (Verizon NJ Request); *see also Comments Sought on Verizon New Jersey Inc. Request for Limited Modification of LATA Boundaries*, CC Docket No. 96-159, Public Notice, DA 04-313 (rel. Feb 5, 2004).

[4] Verizon NJ Request at 1-3.

[5] 47 U.S.C. § 153(25).

[6] *See Application for Review and Petition for Reconsideration or Clarification of Declaratory Ruling Regarding U S WEST Petitions to Consolidate LATAs in Minnesota and Arizona*, File No. NSD-L-97-6, Memorandum Opinion and Order, 14 FCC Rcd 14392, 14399 (1999).

Applying a two-part test, the Commission will grant a request for a LATA modification where: (1) the applicant proves that the requested LATA modification would provide a significant public benefit; and (2) granting the petition would not remove the BOC's incentive to receive authority to provide in-region, interLATA service pursuant to section 271.[7]

3. Verizon NJ's request proposes to modify the LATA boundary between the North Jersey and Delaware Valley LATAs so that a new residential housing development, "The Meadows at South Brunswick," will be located entirely within one exchange (Monmouth Junction) in a single LATA. The new development would otherwise have been served by two exchanges (Monmouth Junction and Cranbury) that are separated by a LATA boundary.[8] Verizon currently provides two-way interLATA local calling between the Monmouth Junction and Cranbury exchanges and is not requesting any change to its existing interLATA services other than the LATA boundary change.[9] Verizon's request is accompanied by an order issued by the New Jersey Board of Public Utilities approving the LATA boundary modification on the basis that calls and rates to emergency services, schools, and municipal services will not be affected by the LATA boundary change, no present customer will be adversely affected by the boundary change, and Verizon NJ's cost of serving the Meadows at South Brunswick will decrease.[10]

III. DISCUSSION

4. For the following reasons, we conclude that Verizon NJ's request satisfies the Commission's two-part test. Applying the first prong, we find that Verizon NJ has shown that a public benefit to the future residents of the Meadows at South Brunswick development would result from the local calling service that the LATA boundary modification would provide. First, Verizon NJ contends that providing local service from a single exchange in a single LATA will minimize customer confusion that may arise from serving one small community through two exchanges in two LATAs.[11] Of the 194 housing units that are planned to be constructed in the development, 120 units would be located in the North Jersey LATA with a 732 area code, 68 units would be in the Delaware Valley LATA with a 609 area code, and 6 units would straddle the LATA boundary line and be assigned either a 732 or 609 area code. Verizon NJ maintains that if the LATA boundary modification is approved and implemented, all of Meadows at South Brunswick residents will receive telephone numbers with a single area code (732) in the North

[7] *See SBC Telecom, Inc. Petition for Modification of Certain LATA Boundaries in Ohio*, File No. NSD-L-00-25, Memorandum Opinion and Order, 18 FCC Rcd 26398, paras. 2, 6-8 (2003).

[8] Verizon NJ Request at 1.

[9] *Id.* No usage data or poll results are available because there is existing interLATA calling between the Monmouth Junction and the Cranbury exchanges, and Verizon NJ neither studies nor records local exchange usage data in a manner similar to its toll usage data studies. Verizon NJ Request at 2-3.

[10] Verizon NJ Request at 2 (citing New Jersey Board of Public Utilities, *In the Matter of Filing By Verizon New Jersey Inc. for a Revision of Tariff B.P.U.-No.2 as Listed in the Revision of the Cranbury and Monmouth Junction Exchange Area Boundary*, Docket No. TT02090668, Order of Approval (rel. Nov. 7, 2002) at 2).

[11] *See In the Matter of Application for Review of Petition for Modification of LATA Boundary*, File No. NSD-L-98-116, Order on Review, 17 FCC Rcd 16952 (2002) (granting Verizon a LATA boundary modification so that the town of Erving, Massachusetts could be included in a single LATA).

Jersey LATA, thereby minimizing customer confusion with dialing procedures.[12] Second, Verizon NJ states that it will be able to serve these customers at a lower cost.[13] By providing service through a single exchange in one LATA, Verizon NJ estimates that the cost of service for the entire development will decrease by approximately 70 percent or $50,000.[14] Third, we base our determination on the New Jersey Board of Public Utilities' conclusion that the proposed modification is in the public interest. We believe that this determination is a persuasive indicator that future residents would receive a sufficient public benefit to warrant a LATA boundary modification. Finally, we note that we received no objections to the grant of Verizon's petition. Accordingly, we conclude that Verizon NJ has satisfied the first prong of the Commission's two-part test.

5. We similarly conclude that the petition satisfies the second prong. On June 24, 2002, the Commission granted Verizon NJ authority to provide in region, interLATA service pursuant to section 271 in New Jersey.[15] Thus, granting the requested modification would not remove Verizon NJ's incentive to receive such authority. Furthermore, this request involves a future residential housing development that would include only a small number of access lines.[16] Accordingly, we grant Verizon NJ's request for a LATA boundary modification.

[12] *See* Letter from Richard T. Ellis, Executive Director, Verizon, to Marlene H. Dortch, Secretary, FCC, filed March 18, 2004 (Verizon Mar. 18 *Ex Parte*).

[13] Verizon NJ Request at 1.

[14] *Id*

[15] *See Application by Verizon New Jersey Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions), Verizon Global Networks Inc., and Verizon Select Services Inc., for Authorization to Provide In-Region, InterLATA Services in New Jersey*, Memorandum Opinion and Order, 17 FCC Rcd 12275 (2002).

[16] While the Monmouth Junction exchange had 158,846 access lines as of December 2001, and the Cranbury exchange had 214,211 as of December 2001, only 74 future housing units and their associated access lines would be impacted directly by this LATA modification, as the development in its entirety would be served out of the Monmouth Junction Exchange. Verizon NJ Petition at 1-2. Therefore, the potential number of access lines affected by this LATA boundary modification is small. *See Bell Atlantic-Virginia, Inc., Petitions for Limited Modification of LATA Boundaries to Provide Expanded Local Calling Service (ELCS) at Various Locations*, Memorandum Opinion and Order, 13 FCC Rcd 11042 (1998) (granting an ELCS petition affecting over 30,000 access lines).

IV. ORDERING CLAUSE

6. Accordingly, IT IS ORDERED, pursuant to sections 3(25) and 4(i) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 153(25), 154(i), and authority delegated by sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, that Verizon New Jersey Inc.'s request for a limited modification to the LATA boundary between the North Jersey and Delaware LATAs to provide local exchange service to The Meadows of Brunswick residential housing development, as specified in this order, IS APPROVED.

FEDERAL COMMUNICATIONS COMMISSION

Michelle M. Carey

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Chief, Competition Policy Division
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